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Intelligence Report

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Iraqi Policy Toward Jordan: Drifting to a Cold War?

Iraqi-Jordanian relations have declined to a post-Gulf war low during the past seven months. Husayn Kamil's defection precipitated the downturn, which led to strengthened Jordanian enforcement of international sanctions against Iraq, a reduction in Jordanian trade with Iraq, and unprecedented public Jordanian support for the Iraqi opposition. Despite these setbacks for Baghdad, the regime has refrained from a belligerent response to keep open its economic lifeline through Jordan. Iraq's acceptance of UN Security Council Resolution 986 would lessen Baghdad's economic dependence on Amman and probably increase the incentive for Saddam to challenge Jordan.

Iraq's Lifeline to the Outside World

Iraq has reaped substantial political and economic benefits from its ties to Jordan, its single largest financial source, since the Gulf war:

- Iraq exported crude oil and refined product to Jordan worth \$420 million in 1995 in exchange for goods and services.
- [redacted] Jordan extended Iraq additional credits worth \$280 million last year.
- [redacted]

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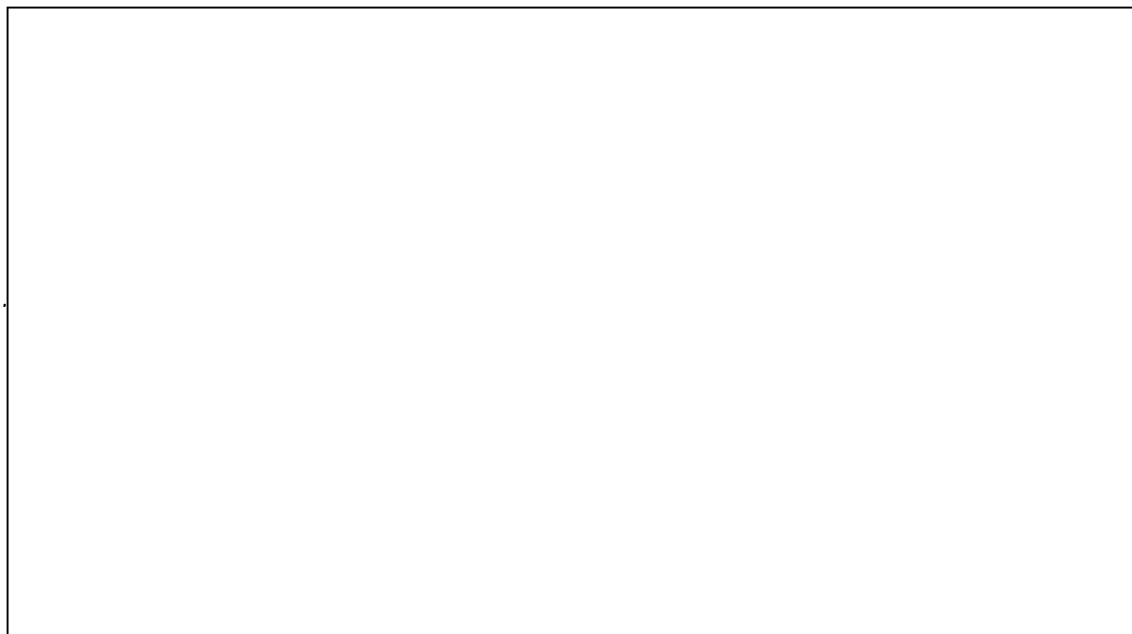
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- Jordan is the key to Iraq's access to the outside for diplomatic and commercial ties because UN sanctions prohibit direct air travel to and from Iraq. [REDACTED]

These benefits have led Baghdad to slow the decline in relations with Amman despite unilateral Jordanian decisions to cool political and economic ties to Iraq:

- Amman harbored defector Husayn Kamil from early August 1995 to February 1996.
- In November 1995, Jordan stopped a shipment of Russian-built surface-to-surface missile parts destined for Iraq. [REDACTED]

Pressure may be building on Iraq to shift policy on Jordan:



Baghdad's Policy Options [REDACTED]

Acceptance of UN Resolution 986 would reduce Iraq's economic dependence on Jordan and increase its range of options to change Amman's behavior. Iraqi retaliatory moves to settle accounts with Jordan could range from manipulating Iraqi economic assistance to Jordan, to sponsoring terrorist operations against Iraqi

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opposition elements inside Jordan, to military posturing in western Iraq. [REDACTED]

Saddam probably would be more confident of his ability to withstand the economic consequences of reducing or cutting off Iraqi sales of oil to Jordan if UN Resolution 986 were implemented. Under the resolution, Iraq would gain about \$2.3 billion in annual earnings from oil exports via Turkey and Umm Qasr for food and humanitarian relief--a figure that accounts for deductions for UN operations in Iraq and the compensation fund:

- Under these circumstances, Saddam probably would be more confident of his regime's ability to manipulate oil supplies to Jordan, projected to total about \$500 million this year. Saddam might, for instance, stop and later resume oil deliveries to induce Jordan to back down from its anti-Iraq policy.
- Iraq would be better positioned to sever land links to Jordan. Iraq probably could make up most of the lost trade coming through Aqaba, Jordan, by increased trade via Umm Qasr and Turkey. [REDACTED]

A drastic cut in ties to Jordan would involve significant costs for Baghdad. Iraq would stand to lose a valuable economic network in Jordan. [REDACTED]

[REDACTED]

Iraq has more forceful and riskier policy tools it can employ against Jordan. Saddam could, for example, order terrorist operations against Iraqi opposition figures in Jordan. [REDACTED]

[REDACTED] Although less likely, Saddam could target Jordanian officials, particularly in the face of increasing Jordanian support to the Iraqi opposition. Saddam's assassination attempt against former President Bush in Kuwait in 1993 demonstrated Saddam's willingness to strike out against adversaries. [REDACTED]

[REDACTED] Saddam might resort to military moves in western Iraq. Although Saddam has his hands full containing Kurdish and Shia insurgents in Iraq's north and south, respectively, and maintaining control in central Iraq, he has military options vis-à-vis Jordan:

- Iraq could deploy more sophisticated fighter aircraft such as F1s, MiG-25s, and MiG-29s to airbases in the west such as H-2 and H-3 where only a dozen older MiG-21 aircraft are normally based.

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- Baghdad could mount paramilitary incursions into Jordan, claiming that such operations were mounted in hot pursuit of smugglers to reduce the risk of promoting outside military intervention while fueling fears in Amman.
- Baghdad might move ground forces into western Iraq under cover of an exercise to get Jordan's attention, sending Republican Guard mechanized and armored units to western Iraq ostensibly for maneuvers. [REDACTED]

In taking such actions, Baghdad would try to gauge US and Israeli reactions, fearing possible military action against Iraqi ground forces. [REDACTED]

Outlook [REDACTED]

Saddam undoubtedly wants to preserve his economic and political lifeline to the outside world. In the near term, Baghdad is likely to continue its muted approach to perceived provocations by Amman while it attempts to improve ties to other governments in the region to hedge against further strains in the relationship with Jordan. If UN Resolution 986 were implemented, Saddam probably would be more confident that the economic consequences of a hardline policy toward Jordan could be mitigated, although not eliminated. Saddam probably would be more willing to incur such costs in the face of further perceptions of Jordanian provocation such as allowing a more prominent public role for the Iraqi opposition in Jordan, a Jordanian clampdown on Iraqi [REDACTED], or the deployment of US forces to Jordan for military exercises. [REDACTED]

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